



Creating Collaborative Solutions

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CONTACT: Margaret Blankers
MJB Public Relations Group, LLC
margaret@mjblankerspr.com
913.385.2222 or 866.714.7041

The Rochdale Group Launches Breakthrough in Revalidation Technology
e-RevalidationSM efficiently solves CUs' compliance challenges, delivers 100% revalidation

(Overland Park, Kan., Sept. 8, 2009) – The Rochdale Group announces the introduction of *e-Revalidation*, a proprietary remote technology revalidation designed to test 100 percent of a credit union's risk-based loan portfolio. The technology, combined with The Rochdale Group's expertise in compliance and risk-based-lending design, delivers comprehensive reviews of credit unions' risk-based lending and pricing models.

Using secure data-transfer technologies, The Rochdale Group's *e-Revalidation* process:

- Accurately reviews all of the credit union's lending activity, versus a small statistical sample
- Eliminates internal disruptions related to onsite reviews, freeing credit union staff time for other work activities
- Saves money by eliminating customary travel expenses tied to in-person revalidation engagements
- Improves turnaround time for delivery of comprehensive reports

According to **Tony Ferris**, Partner with The Rochdale Group, *e-Revalidation* was developed specifically to provide more thorough service at a lower price – a well-timed benefit in the current economic environment.

“We're committed to developing collaborative solutions for our client credit unions,” Ferris said.

“We view risk-based-lending revalidation as a perfect blend of technology with our compliance, lending and operational efficiencies expertise.”

(more)

The revalidation process tests credit unions' consumer loan portfolios for regulatory violations, such as not following fair-lending practices. It also reveals whether loan-pricing strategies are effective at providing returns appropriate to the risks taken.

To meet regulatory and internal policy compliance, credit unions' risk-based-lending/pricing scorecards should be revalidated on a regular basis. After a review at the end of the first year of risk-based lending, a revalidation typically is performed every two years. This usually requires an onsite review of a statistically valid sample of loan activity during the most recent year – a process that can be expensive and disruptive to staff. Using *e-Revalidation*, credit unions eliminate the costs and distractions related to hosting reviewers.

One of the first to implement *e-Revalidation* was \$642 million **Philadelphia Federal Credit Union**, which receives more than 10,000 consumer loan applications in a typical year. Rather than testing a random selection of its total loan transactions, the new technology allowed the credit union to review all of its 13,953 consumer transactions conducted over a 12-month period, including all performing and delinquent loans, declined and canceled applications, and charge-offs.

“The end result was very comprehensive and The Rochdale Group's depth of experience with revalidations came through in the report,” said **Claire Ippoliti**, CUDE, Vice President of Lending at Philadelphia Federal. “Not only were we able to cut our costs – we had a more thorough review because of their secure, online access to our records.”

For additional information about *e-Revalidation* or The Rochdale Group's other consulting and capital markets services, visit www.rochdalegroup.com or call 800.424.4951.

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About The Rochdale Group, Inc.

The Rochdale Group is a nationally recognized provider of services to the credit union movement, possessing significant technical and industry experience providing services to more than 500 credit union entities. The Rochdale Group collaborates with credit unions to tailor solutions to its clients in today's fast-changing and competitive environment. For more information, visit www.rochdalegroup.com.